GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:3106
ANSWERED ON:03.08.2017
Levy on Flights under Regional Connectivity Scheme
Solanki Dr. Kirit Premjibhai

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Government has launched any scheme to boost regional air connectivity, if so, the details thereof;

(b) whether a levy would be charged on existing flights on major routes to fund subsidy for regional flights, if so, the details thereof;

(c) whether the Government has faced opposition from leading airlines for the aforementioned levy, if so, the details thereof and the steps taken by the Government to address the same;

(d) the details of the under-served airports across the country; and

(e) whether the Government has amended the Aircraft Act of 1934 and the Aircraft Rules of 1937 and if so, the details thereof?

Answer

The Minister of State in the Ministry of CIVIL AVIATION

(Shri Jayant Sinha)

(a): Yes, Madam. Ministry of Civil Aviation has launched Regional Connectivity Scheme (RCS) to stimulate regional air connectivity by making it affordable. Government intends to make regional air connectivity affordable by providing concessions by Central/State Governments and airport operator and by providing financial support in the form of Viability Gap Funding (VGF) to selected airlines operators and scheme was designed based on the stakeholders consultation. However, the Scheme is market driven & based on the assessment, to be carried out by airline operators, to assess the demand of such routes. Viability Gap Funding (VGF) is proposed to be provided for a limited period to facilitate/stimulate regional air connectivity to unserved/underserved areas/airports of the country.;

(b): Government of India had decided to impose a levy of Rs. 5000/- per flight on certain scheduled flights being operated within India to fund the Regional Air Connectivity Fund.;

(c): Federation of India Airlines (FIA) has challenged the Order issued by Ministry of Civil Aviation imposing RCS levy in the Hon"ble High Court of Delhi. The matter is subjudice.;

(d): Tentative list of under-served airport across the country as per RCS document is enclosed as Annexure-I.;

(e): Rule 88B and 88C was inserted in the Aircraft Rules, 1937 vide G.S.R. 994 (E) dated 21.10.2016 for creation of Regional Connectivity Fund (RCF) and levy of a fee on the Scheduled domestic flights.